

THE CONTINUING DISCLOSURE AGREEMENT

Provision of Annual Reports

The City shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the City's fiscal year (which fiscal year presently ends June 30), commencing with the report for the 1996-97 fiscal year, provide to each Repository an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event.

Not later than fifteen (15) Business Days prior to the date specified in the Continuing Disclosure Agreement for providing the Annual Report to the Repositories, the City shall provide the Annual Report to the Dissemination Agent (if other than the City or an employee of the City).

If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date required in the Continuing Disclosure Agreement, the Trustee shall send a notice to each Repository and the Municipal Securities Rulemaking Board.

The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the City (if the Dissemination Agent is not the City), the Authority and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to the Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

Content of Annual Reports

The City's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board or as otherwise required by applicable State law. If the City's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
2. An update of the information contained in Table 2 of the Official Statement for the most recently completed fiscal year.
3. An update of the information contained in Table 3 of the Official Statement for the most recently completed fiscal year (exclusive of the information contained under the column heading "Estimated Population").
4. An update of the information contained in Table 4 of the Official Statement for the most recently completed fiscal year.
5. An update of the information contained in Table 5 of the Official Statement for the most recently completed fiscal year.
6. An update of the information contained in Table 6 of the Official Statement for the five most recently completed fiscal years.
7. An update of the information contained in Table 7 of the Official Statement for the most recently completed fiscal year.
8. An update of the information contained in Table 8 of the Official Statement for the five most recently completed fiscal years.
9. An update of the information contained in Table 9 of the Official Statement for the five most recently completed fiscal years.
10. An update of the information contained in Table 10 of the Official Statement for the five most recently completed fiscal years.
11. An update of the information contained in Table 11 of the Official Statement for the five most recently completed fiscal years.
12. Information contained in Table 12 of the Official Statement will be available in the City's audited financial statements.

13. Information contained in Table 13 of the Official Statement will be available in Exhibit D of the City's audited financial statements.

14. Information contained in Table 14 of the Official Statement will be available in Schedules F-1 and F-2 of the City's audited financial statements or it will be presented in tabular form comparable to Table 14.

15. An update of the information contained in the Official Statement under the heading "LABOR RELATIONS" for the most recently completed fiscal year.

16. An update of the information contained in the Official Statement in the third paragraph under the heading "PENSION PLAN" for the most recently completed fiscal year.

17. An update of the information contained in Table 15 of the Official Statement for the five most recently completed fiscal years.

18. An update of the information contained in the Official Statement under the heading "INVESTMENT OF FUNDS - Pool Liquidity and Other Characteristics," " - Derivatives" and " - Reverse Repurchase Agreements" and contained in Table 16 of the Official Statement for the most recently completed fiscal year.

Reporting of Significant Events

The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 1997 Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. modifications to rights of Bondholders;
4. optional, contingent or unscheduled bond calls;
5. defeasances;
6. rating changes;
7. adverse tax opinions or events affecting the tax-exempt status of the 1997 Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers, or their failure to perform; and
11. release, substitution or sale of property securing repayment of the 1997 Bonds.

The Dissemination Agent (if other than the City) shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to the Continuing Disclosure Agreement and promptly direct the Dissemination Agent whether or not to report such event to the Bondholders. In the absence of such direction, the Dissemination Agent shall not report such event unless otherwise required to be reported by the Dissemination Agent to the Bondholders under the Indenture. The Dissemination Agent may conclusively rely upon such direction (or lack thereof). For purposes of the Continuing Disclosure Agreement, "actual knowledge" of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with regular responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events.

Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

If the City has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent (if other than the City) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to the Continuing Disclosure Agreement.

If in response to a request under the Continuing Disclosure Agreement, the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent (if other than the City) in writing and instruct the Dissemination Agent not to report the occurrence.

If the Dissemination Agent is not the City and has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and the Repositories with a copy to the City and the Bond Insurer. Notwithstanding the foregoing, notice of optional, contingent or unscheduled bond calls or defeasances need not be given under the Continuing Disclosure Agreement any earlier than the notice (if any) of the underlying event is given to the Owners of affected 1997 Bonds pursuant to the Indenture.

Termination of Reporting Obligation

The City's obligations under the Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 1997 Bonds. If the City's obligations under the Installment Purchase Agreement are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing Disclosure Agreement in the same manner as if it were the City and the City shall have no further responsibility under

the Continuing Disclosure Agreement. If such termination or substitution occurs prior to the final maturity of the 1997 Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event.

Dissemination Agent

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Agreement.

Amendment; Waiver

Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Trustee may amend the Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the City; provided, the Trustee shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations thereunder) and any provision of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the provision and content of Annual Reports or the notice of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 1997 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 1997 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the 1997 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 1997 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in

narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information

Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default

In the event of a failure of the City or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter, the Bond Insurer or the Owners of at least 25% in aggregate principal amount of Outstanding 1997 Bonds, shall), or the Bond Insurer or any Owner or Beneficial Owner of the 1997 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Installment Purchase Agreement, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Beneficiaries

The Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriters, the Bond Insurer and the Owners and Beneficial Owners from time to time of the 1997 Bonds, and shall create no rights in any other person or entity.